

enable any other person, to file a drawback claim under 19 U.S.C. 1313 inconsistent with those actual production records for that feedstock-final product combination. The operator shall file its request in accordance with paragraph (a)(3) of this section. The Director, ORA, and the Director, OLSS, must determine whether T.D. 66-16 needs to be modified and shall publish in the Customs Bulletin each approval granted under this paragraph and request public comments with each such approval.

(4) *Attribution to privileged foreign feedstock; relative value.* If a final product is attributed to the separation of a privileged foreign feedstock a relative value must be assigned (see section IV of the appendix to this part).

(b) *Refinery operating records.* An operator may use the actual refinery operating records to attribute the feedstocks used to the removed or consumed products. Customs shall accept the operator's operating conventions to the extent that the operator demonstrates that it actually uses these conventions in its refinery operations. Whatever conventions are elected by the operator, they must be used consistently in order to be acceptable to Customs. Additionally, Customs may use these records to test the validity of admissions into the subzone, consumption within and removals from the subzone.

*Example* If the operator mixes three equal quantities of material in a day tank and treats that product as a three-part mixture in its production unit, Customs will accept the resulting product as composed of the three materials. If, in the alternative, the operator assumes that the three products do not mix and treats the first product as being composed of the first material put into the day tank, the second product as composed of the second material put into the day tank, and the third product as being composed of the third material put into the day tank, Customs will accept that convention also.

**§ 146.96 Approval of other record-keeping systems.**

(a) *Approval procedure.* An operator must seek prior approval of another recordkeeping procedure by submitting the following to the Director, Office of Regulatory Audit:

(1) An explanation of the method describing how attribution will be made

when a finished product is removed from or consumed in the subzone, and how and when the feedstocks will be decremented;

(2) A mathematical example covering at least two months which shows the amounts attributed, all necessary relative value calculations, the dates of consumption and removal, and the amounts and dates that the transactions are reported to Customs.

(b) *Failure to comply.* Requests received that fail to comply with paragraph (a) of this section will be returned to the requester with the defects noted by the Director, Office of Regulatory Audit.

(c) *Determination by Director.* When the Director, Office of Regulatory Audit, determines that the record-keeping procedures provide an acceptable basis for verifying the admissions and removals from or consumption in a refinery subzone, the Director will issue a written approval to the applicant.

**APPENDIX TO PART 146—GUIDELINES FOR DETERMINING PRODUCIBILITY AND RELATIVE VALUES FOR OIL REFINERY ZONES**

Where an example is set out in this appendix, the example is for purposes of illustrating the application of a provision, and where there is any inconsistency between the example and the provision, the provision prevails to the extent of the inconsistency. Alternative formats are also acceptable so long as they are consistent with the provisions of this part.

**I. ATTRIBUTION USING PRODUCIBILITY SHOWING MANUFACTURING PERIODS FROM ADMISSION TO REMOVAL WITHIN A CALENDAR MONTH.**

Volume losses and gains accounted for by weight.

*Day 1*

Receipt into the refinery subzone during a 30-day month:

50,000 pounds privileged foreign (PF) class II crude oil.  
50,000 pounds PF class III crude oil.  
50,000 pounds domestic status class III crude oil.

*Day 10*

Removal from the refinery subzone for exportation of 50,000 pounds of aviation gasoline.

The period of manufacture for the aviation gasoline is Day 1 to Day 10. The refiner must first attribute the designated source of the aviation gasoline.

In order to maximize the duty benefit conferred by the zone operation, the refiner chooses to attribute the exported aviation gasoline to the privileged foreign status crude oil. Under the tables for potential production (T.V. 66-16), class II crude has a 30% potential, and class III has a 40% potential. The maximum aviation gasoline producible from the class II crude oil is 15,000 pounds ( $50,000 \times .30$ ). The maximum aviation gasoline producible from the privileged foreign status class III crude oil is 20,000 pounds ( $50,000 \times .40$ ). The domestic class III crude would also make 20,000 pounds of aviation gasoline.

The refiner could attribute 15,000 pounds of the privileged foreign class II crude oil, 20,000 pounds of the privileged foreign class III crude oil, and 15,000 pounds of the domestic class III crude oil as the source of the 50,000 pounds of the aviation gasoline that was exported; 35,000 pounds of class II crude oil would be available for further production for other than aviation gasoline, 30,000 pounds of privileged foreign class III crude oil would be available for further production for other than aviation gasoline, and 35,000 pounds of domestic status class III crude oil would be available for further production, of which up to 5,000 pounds could be attributed to aviation gasoline.

#### *Day 21*

Receipt in the refinery subzone:

50,000 pounds PF status class I crude oil.  
50,000 pounds PF status class IV crude oil.

#### *Day 30*

Removal from the refinery subzone:

30,000 pounds of motor gasoline for consumption.  
10,000 pounds of jet fuel sold to the US Air Force for use in military aircraft.  
10,000 pounds of aviation gasoline sold to a U.S. commuter airline for domestic flights.  
10,000 pounds of kerosene for exportation.

To the extent that the crude oils that entered production on Day 1 are attributed as the designated sources for the products removed on Day 30, the period of manufacture is Day 1 to Day 30. If the refiner chooses to attribute the crude oils that were admitted on Day 21 as the designated sources of the products removed on Day 30 using the production standards published in T.D. 66-16, the manufacturing period is Day 21 to Day 30. This choice will be important if a relative value calculation on the privileged foreign status crude oil is required, because the law requires the value used for computing the relative value to be the average per unit value of each product for the manufacturing period. Relative value must be calculated if

a source feedstock is separated into two or more products that are removed from the subzone refinery. If the average per unit value for each product differs between the manufacturing period from Day 1 to Day 30 and the manufacturing period from Day 21 to Day 30, the correct period must be used in the calculation.

In order to minimize duty liability, the refiner would try to attribute the production of the exported kerosene and the sale of the jet fuel to the US Air Force to the privileged foreign crude oils. For the same reason, the refiner would try to attribute the removed motor gasoline and the aviation gasoline for the commuter airline to the domestic crude oil.

Accordingly, the refiner chooses to attribute up to 5,000 pounds of the domestic status class III crude as the source of the 10,000 pounds of aviation gasoline removed from the subzone refinery for the commuter airline. Since no other aviation gasoline could have been produced from the crude oils that were admitted into the refinery subzone Day 1, the refiner must attribute the remainder to the crude oils that entered production on Day 21. Again, using the production standards from T.D. 66-16, the class I crude could produce aviation gasoline in an amount up to 10,000 pounds ( $50,000 \times .20$ ). Likewise, the class IV crude oil could produce aviation gasoline in an amount up to 8,500 pounds ( $50,000 \times .17$ ).

The refiner selects use of the class I crude as the source of the aviation gasoline. The refiner could attribute up to 27,300 pounds ( $35,000 - 5,000 \times .91$ ) of the domestic class III crude oil as the source of the motor gasoline. This would leave 2,700 pounds of domestic class III crude available for further production for other than aviation gasoline or motor gasoline. The remaining motor gasoline removed (also 2,700 pounds) must be attributed to a privileged foreign crude oil. The refiner selects the privileged foreign class II crude oil that entered production on Day 1 as the source for the remaining 2,700 pounds of motor gasoline.

This would leave 32,300 pounds of privileged foreign class II crude oil available for further production, of which no more than 27,400 pounds could be designated as the source of motor gasoline. The refiner attributes the jet fuel that is removed from the refinery subzone for the US Air Force for use in military aircraft to the privileged foreign class II crude oil. The refiner could attribute up to 20,995 pounds of jet fuel from that class II crude oil ( $32,300 \times .65$ ). Designating that class II crude oil as the source of the 10,000 pounds of jet fuel leaves 22,300 pounds of privileged foreign class II crude oil available for further production, of which up to 10,995 pounds could be attributed as the source of the jet fuel. Because the motor gasoline and the jet fuel, under the foregoing attribution, would

be considered to have been separated from the privileged foreign class II crude oil, a relative value calculation would be required.

The jet fuel is eligible for removal from the subzone free of duty by virtue of 19 U.S.C. 1309(a)(1)(A). The refiner could attribute the privileged foreign class II crude oil as being the source of the 10,000 pounds of jet fuel ( $22,300 \times .65$ ). The refiner chooses to attribute the privileged foreign class III crude oil as the source of the jet fuel. The refiner could attribute to that class III crude oil up to 15,000 pounds of kerosene ( $30,000 \times .50$ ).

#### II. ATTRIBUTION ON A FIFO BASIS

(Accounting for volume losses or gains by the weight method)

##### Day 1-5

Transfer, into the Refinery Subzone, from one or more storage tanks into process 150 barrels of Privileged Foreign (PF) Class II crude oil, equivalent to 50,000 pounds.

##### Day 6

Removal from the refinery subzone 119 barrels of residual oils to customs territory, equivalent to 40,000 pounds.

Since the operator uses the FIFO method of attribution, as the product is removed from the subzone, or consumed or lost within the subzone, attribution must be to the oldest feedstock available for attribution. Accordingly, the 40,000 pounds of residual oils will be attributed to 40,000 pounds of the PF Class II crude oil from Day 1-5.

##### Day 10

Transfer, into the refinery subzone, from one or more storage tanks 4 barrels of domestic motor gasoline blend stock, equivalent to 1,000 pounds to motor gasoline blending tank.

##### Day 6-15

Transfer, into the refinery subzone, from one or more storage tanks into process 320 barrels of Domestic Class III crude oil, equivalent to 100,000 pounds.

##### Day 16

Removal from the refinery subzone 14 barrels of asphalt to customs territory, equivalent to 5,000 pounds.

The 5,000 pounds of asphalt will be attributed to 5,000 pounds of PF Class II crude oil from Day 1-5.

##### Day 17

Removal from the refinery subzone, 324 barrels of motor gasoline to customs territory, equivalent to 81,000 pounds.

The 81,000 pounds of motor gasoline will be attributed to 1,000 pounds of domestic motor gasoline blend stock from Day 10, to the remaining 5,000 pounds of PF Class II crude oil from Day 1-5 and 75,000 pounds of domestic Class III crude oil from Day 6-15.

##### Day 16-20

Transfer, into the refinery subzone, from one or more storage tanks into process 169 barrels of Privileged Foreign (PF) Class III crude oil, equivalent to 50,000 pounds.

##### Day 22

Removal from the refinery subzone, 214 barrels of jet fuel for exportation, equivalent to 60,000 pounds.

The 60,000 pounds of jet fuel will be attributed to the remaining 25,000 pounds of domestic Class III crude oil from Day 6-15 and 35,000 pounds of PF Class III crude oil from Day 16-20.

##### Day 21-25

Transfer, into the refinery subzone from one or more storage tanks into process, 143 barrels of domestic Class I crude oil, equivalent to 50,000 pounds.

##### Day 30 (End of the Manufacturing Period)

It is determined that during the manufacturing period just ended, that 34 barrels of fuel, equivalent to 10,000 pounds was consumed, and 5 barrels of oil, equivalent to 1,500 pounds was lost in the refining production process within the refinery subzone.

The 10,000 pounds of fuel consumed will be attributed 10,000 pounds of PF Class III crude oil from Day 16-20. The 1,500 pounds of oil lost in the refining production process will be attributed to 1,500 pounds of PF Class III crude oil from Day 16-20. The remaining 3,500 pounds of PF Class III crude oil from Day 16-20 will be the first to be attributed during the next manufacturing period.

#### III. RELATIVE VALUE CALCULATION

Because privileged foreign feedstocks transferred into process during Day 1-5 and Day 16-20 have two or more products attributed to them, each feedstock will require a relative value calculation.

Relative value calculation for UIN Day 1-5, 50,000 pounds, equivalent to 150 barrels.

	A Lbs	B BBLS	C \$/BBL	D Product value	E R.V. Factor	F R.V. BBL	G Dutiable BBL
Residual oil .....	40,000	119	15.00	1,785	.9047	108	108
Asphalt .....	5,000	14	13.00	182	.7840	11	11

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	A Lbs	B BBLS	C \$/BBL	D Product value	E R.V. Factor	F R.V. BBL	G Dutiable BBL
Motor gasoline .....	5,000	20	26.00	520	1.5682	31	31
Totals .....	50,000	153	.....	2,487	.....	150	150

A=Pounds Attributed.  
B=Equivalent Barrels.  
C=Price of Product.  
D=B×C.  
E=C/(Total of Column D/Attributed Crude BBLs).  
Residual Oil RV Factor=15.00/(2,487/150)=.9047.  
F=B×E.  
G=Dutiable Barrels.

Since all products attributed to the 50,000 pounds (150 BBLs) of PF Class II crude entered customs territory duty equals \$7.88 (150×.0525).

Feedstock factor calculation for UIN Day 16–20, 46,500 pounds equivalent to 157 barrels.

	Lbs	BBLS	\$/BBL	Product value	Feedstock factor	R.V. BBL	Dutiable BBL
Jet Fuel .....	35,000	125	27.00	3,375	1.1030	138	0
Fuel .....	10,000	34	12.00	408	0.4902	17	0
Consumed Process Loss .....	1,500	5	12.00	60	0.4902	2	0
Totals .....	46,500	164	.....	3,843	.....	157	0

Since jet fuel was exported, no duty is applicable. Fuel consumed for refinery process was consumed within the subzone premises and did not enter customs territory, thus no duty is applicable (assume refinery not barred by duty-free consumption restriction). Likewise, the process loss occurred entirely within the subzone. Therefore, no duty is applicable.

IV. ATTRIBUTION TO PRIVILEGED FOREIGN FEEDSTOCK; RELATIVE VALUE; MONTHLY MANUFACTURING PERIOD, WEEKLY ENTRIES, ATTRIBUTION TO A PRIOR PERIOD; VOLUME LOSS OR GAIN SHOWN BY VOLUME DIFFERENCES.

An operator who elects to attribute on a monthly basis files the following estimated removal of final products for the first week in September:

Jet Fuel (deemed exported on international flights) .....	20,000
Gasoline—Domestic Consumption .....	15,000
Duty-free certified as emergency war material .....	10,000
Petroleum coke exportations .....	10,000
Distillate for consumption .....	5,000
Petrochemicals exported .....	10,000
Total removals .....	70,000

Because it does not elect to make attributions for feedstocks that were charged to operating units during the same week, the operator attributes the estimated removals to final products made during August from the following feedstocks:

Class II PF (privileged foreign) crude .....	20,000
Class III PF crude .....	35,000
Class III D (domestic) crude .....	20,000
Class III NPF (nonprivileged foreign crude) .....	20,000

95,000

During August the operator produced from those feedstocks:

Jet .....	35,000
Gasoline .....	40,000
Petroleum Coke .....	10,000
Distillate .....	5,000
Petrochemicals .....	15,000

105,000

There is a gain of 105,000 – 95,000=10,000

Using the tables in T.D. 66–16, the following choices are available for attribution:

	Charged	Jet	Gasoline	Petroleum coke	Distillate	Petro-chem- ical
Class II PF Crude .....	20,000	13,000	17,200	4,400	17,200	5,000
Class III PF Crude .....	35,000	24,500	31,850	14,000	31,150	10,150
Class III D Crude .....	20,000	14,000	18,200	8,000	17,800	5,800
Class III NPF Crude .....	20,000	14,000	18,200	8,000	17,800	5,800

Feedstock factors are calculated:

	Barrels	Value barrels	Value	Feedstock factors
Gasoline .....	40,000	\$25	\$1,000,000	.9117
Jet Fuel .....	35,000	23	805,000	.8388
Distillate .....	5,000	20	100,000	.7294
Petroleum Coke .....	10,000	10	100,000	.3647
Petrochemicals .....	15,000	40	600,000	1.4587
	105,000		2,605,000	
Gain .....	– 10,000	\$2,605,000		
Total .....	195,000	=\$27.42 average value p/bbl		

Using the feedstock factor the refiner makes the following attributions:

Jet Fuel .....	24,192	(20,291 feedstock attributed to Class III PF Crude).
	10,808	Class III NPF Crude (attribution of 9066 solely for purpose of accounting for the amount of NPF used).
	35,000	
Gasoline .....	5,000	(4,559 feedstock attributed to Class III PF Crude).
	5,000	Class III NPF Crude (attribution of 4599 solely for purpose of accounting for the amount of NPF used).
	15,000	(13,676 feedstock attributed to Class III D Crude).
Petroleum Coke .....	8,418	(3,070 feedstock attributed to Class II PF Crude).
	1,582	Class III NPF Crude (attribution of 577 solely for purposes of accounting for the amount of NPF used).
	10,000	
Distillate .....	5,000	(3,647 feedstock attributed to Class III Domestic).
Petrochemicals .....	3,975	(5,800 feedstock attributed to Class III NPF Crude).
	6,025	(8,789 feedstock attributed to Class III PF Crude).
	10,000	

V. WEEKLY ENTRY, WEEKLY MANUFACTURING PERIOD, AND RELATIVE VALUES CALCULATED ON THE ACTUAL WEIGHTED AVERAGE VALUES AT THE END OF THE WEEK.

On the weekly estimated production CF 3461, the refiner is required to provide a pro forma invoice or schedule showing the number of units of each type of merchandise to be removed during the week and their zone and dutiable values. For example, on CF 3461 the refiner estimates the following shipments and relative values for the next week and files this on the preceding Friday.

Product week 1	PF shipments (MBLS)	Value/barrel (platts)	Total value
Motor Gasoline .....	20,000	\$35	\$700,000
Total Alkylate .....	25,000	35	875,000
Heavy Reformate .....	60,000	35	2,100,000
Reformer Feed .....	110,000	35	3,850,000
Raffinates .....	200,000	35	7,000,000
Jet Fuel .....	200,000	35	7,000,000
Total .....	615,000		\$21,525,000

Attributed Feedstock—Class III Crude: 615,000 @ \$105=\$64,575 (estimated duties)

During that week the refiner actually removes the following products and reports those on the CF 7501 filed within 10 business days after the CF 3461 is filed. Column 3 is the actual "weighted average" value for the manufacturing period, therefore, no reconciliation is necessary.

1 Product	2 PF Shipments (mbbls)	3 Value/ barrel (wt. avg.)	4 Total value (2)×(3)	5 Relative value factor (3)/(8)	6 Feedstock distribu. (5)×(2)	7 Liq. duties (6)×(10) (9)
Week 1:						
Motor Gasoline .....	19,977	\$35.70	\$713,179	1.104545	22,065	\$2,317
Total Alkylate .....	22,907	42.50	973,548	1.314935	30,121	3,163
Heavy Reformate ...	58,164	31.42	1,827,513	.972123	56,542	5,937

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1 Product	2 PF Shipments (mbbls)	3 Value/ barrel (wt. avg.)	4 Total value (2)×(3)	5 Relative value factor (3)/(8)	6 Feedstock distribu. (5)×(2)	7 Liq. duties (6×(10) (9)
Reformer Feed .....	100,279	31.42	3,150,766	.972123	97,484	10,235
Raffinates .....	170,293	29.55	5,032,158	.914266	155,693	16,348
Jet Fuel .....	168,433	30.04	5,059,727	.929426	156,546	16,437
Total .....	540,053	.....	16,756,891	.....	518,451 (9)	54,437 (10)

Class III Crude Consumed 518,451×\$.105 = \$54,437  
Volumetric Gain 21,602  
Avg. Value/Barrel Crude Consumed=\$16,756,891÷518,451=\$32.321 (8)  
This example shows volumetric gain of 21,602 mbbls. However, in that PF was requested, liquidated duties are only on actual feedstock (class III crude) used in the refining process. (518,451 @ \$.105=\$54,437).

VI. WEEKLY ENTRY, MONTHLY MANUFACTURING PERIOD, AND RELATIVE VALUES CALCULATED  
ON THE ACTUAL WEIGHTED AVERAGE VALUES AT THE END OF THE MONTH.

For example, on the CF 3461 the refiner estimates the following shipments and relative values for the next week and files this on the preceding Friday.

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (platts)	4 Total value
Week 1:			
Motor Gasoline .....	20,000	\$35	\$700,000
Total Alkylate .....	25,000	35	875,000
Heavy Reformate .....	60,000	35	2,100,000
Reformer Feed .....	110,000	35	3,850,000
Raffinates .....	200,000	35	7,000,000
Jet Fuel .....	200,000	35	7,000,000
Total .....	615,000	.....	21,525,000

Attributed Feedstock—Class III Crude: 615,000 @ \$.105=\$64,575 (estimated duties)  
During the week the refiner actually removes the following products and reports those on the CF 7501 filed within 10 business days after the CF 3461 is filed. The reported relative values may be an estimate based on Platts, prior period actual prices, or the refiner's transfer prices. For this example, the estimates are based on the refiner's actual transfer prices. Listed below are the data to be shown on the weekly CF 7501s with actual quantities shipped and estimated values for weeks 1–5.

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (estimates)	4 Total value (2)×(3)	5 Relative value factor (3)/(8)	6 Feedstock distrib. (5)×(2)	7 Liq. duties (6×(10) (9)
Week 1:						
Motor Gasoline .....	19,977	\$35.70	\$713,179	1.104545	22,065	\$2,317
Total Alkylate .....	22,907	42.50	973,548	1.314935	30,121	3,163
Heavy Reformate ...	58,164	31.42	1,827,513	.972123	56,542	5,937
Reformer Feed .....	100,279	31.42	3,150,766	.972123	97,484	10,235
Raffinates .....	170,293	29.55	5,032,158	.914266	155,693	16,348
Jet Fuel .....	168,433	30.04	5,059,727	.929426	156,546	16,437
Total .....	540,053	.....	16,756,891	.....	518,451 (9)	\$54,437 (10)

Class III Crude Consumed 518,451×\$.105=\$54,437  
Volumetric Gain 21,602  
Avg. Value/Barrel Crude Consumed=\$16,756,891÷518,451=\$32.321 (8)

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (estimated)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 2:						
Motor Gasoline .....	20,651	\$36.90	\$762,022	1.145429	23,654	\$2,484
Total Alkylate .....	23,435	44.25	1,036,999	1.373584	32,190	3,380
Heavy Reformate ...	59,819	30.35	1,815,507	.942108	56,358	5,918
Reformer Feed .....	101,167	30.10	3,045,127	.934347	94,526	9,925
Raffinates .....	172,317	29.30	5,048,888	.909514	156,726	16,456
Jet fuel .....	165,291	30.70	5,074,434	.952972	157,519	16,539

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1 Product	2 PF shipments (mbbls)	3 Value/ barrel (estimated)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Total .....	542,680	.....	\$16,782,977	.....	520,973	\$54,702

Class III Crude Consumed 520,973 × \$.105 = \$54,702

Volumetric Gain 21,707

Avg. Value/Barrel Crude Consumed = \$32.215

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (estimated)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 3:						
Motor Gasoline .....	18,689	\$34.90	\$652,246	1.091819	20,405	\$2,142
Total Alkylate .....	21,511	40.25	865,818	1.259190	27,087	2,844
Heavy Reformate ...	57,371	30.90	1,772,764	.966682	55,460	5,823
Reformer Feed .....	99,707	30.90	3,080,946	.966682	96,386	10,121
Raffinates .....	168,112	29.65	4,984,521	.927577	155,938	16,374
Jet Fuel .....	172,092	29.85	5,136,946	.933834	160,707	16,874
Total .....	537,482	.....	\$16,493,241	.....	515,983	\$54,178

Class III Crude Consumed 515,983 × \$.105 = \$54,178

Volumetric Gain 21,499

Avg. Value/Barrel Crude Consumed = \$31.965

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (estimated)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 4:						
Motor Gasoline .....	21,905	\$32.85	\$719,579	1.027237	22,502	\$2,363
Total Alkylate .....	22,552	38.75	873,890	1.211733	27,327	2,869
Heavy Reformate ...	58,116	29.60	1,720,234	0.925607	53,791	5,648
Reformer Feed .....	101,058	29.40	2,971,105	0.919353	92,908	9,755
Raffinates .....	169,823	30.15	5,120,163	0.942806	160,110	16,812
Jet Fuel .....	171,493	31.05	5,324,858	0.970949	166,511	17,484
Total .....	544,947	.....	\$16,729,829	.....	523,149	\$54,931

Class III Crude Consumed 523,149 × \$.105 = \$54,931

Gain 21,798

Avg. Value/Barrel Crude Consumed = \$31.979

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (estimated)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 5:						
Motor Gasoline .....	8,990	\$37.25	\$334,878	1.136260	10,215	\$1,073
Total Alkylate .....	9,984	45.10	450,278	1.375713	13,735	1,442
Heavy Reformate ...	25,351	31.50	798,557	0.960864	24,360	2,558
Reformer Feed .....	43,492	31.35	1,363,474	0.956288	41,592	4,367
Raffinates .....	75,172	29.95	2,251,401	0.913583	68,677	7,211
Jet fuel .....	75,795	30.56	2,316,295	0.932190	70,654	7,418
Total .....	238,784	.....	\$7,514,883	.....	229,233	\$24,069

Class III Crude Consumed 229,233 × \$.105 = \$24,069

Gain 9,551

Avg. Value/Barrel Crude Consumed = \$32.783

As provided in the regulations, the refiner files an amended CF 7501 for each week based on the refiner's actual weighted average values for the month, as shown below.

Product	Value/ barrel (MBLS)
Month End:	
Motor Gasoline .....	\$35.27
Total Alkylate .....	41.84
Heavy Reformate .....	30.66
Reformer Feed .....	30.54
Raffinates .....	29.69
Jet Fuel .....	30.42

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RECONCILIATION OF WEEK 1 USING MONTH'S END ACTUAL WEIGHTED AVERAGE VALUES

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (wt. avg.) actual	4 Total value (2)×(3)	5 Relative value factor (3)/(8)	6 Feedstock distrib. (5)×(2)	7 Amended wt. avg. duties (6)×(10) (9)
Motor Gasoline .....	19,977	\$35.27	\$704,589	1.095716	21,889	\$2,298
Total Alkylate .....	22,907	41.84	958,429	1.299823	29,775	3,126
Heavy Reformate .....	58,164	30.66	1,783,308	.952499	55,401	5,817
Reformer Feed .....	100,279	30.54	3,062,521	.948771	95,141	9,990
Raffinates .....	170,293	29.69	5,055,999	.922365	157,072	16,493
Jet Fuel .....	168,433	30.42	5,123,732	.945043	159,176	16,713
Total .....	540,053	.....	\$16,688,578	.....	518,454 (9)	54,437 (10)

Class III Crude Consumed = 518,454 × \$.105 = \$54,437

Volumetric Gain 21,599

Avg. Value/Bbl Crude Consumed = \$16,688,578 ÷ 518,454 = \$32.189 (8)

Note: No change in amended total duties, because duty is computed on total quantity of class III crude used. The difference is amongst the various products, i.e., estimated weekly CF 7501 duties paid for Motor Gasoline was \$2,317, while the reconciled amount as shown above is \$2,298. Additional duties owed or refunds due would depend on the reconciliation of the weekly entry as an entirety.

VII. WEEKLY ENTRY, MONTHLY MANUFACTURING PERIOD, RELATIVE VALUES CALCULATED ON PRIOR MANUFACTURING PERIOD'S ACTUAL WEIGHTED AVERAGE VALUES. THE PRIOR PERIOD (PP) VALUES ARE SET FORTH BELOW:

Product	Value/Barrel (wt. avg.)
Motor Gasoline .....	\$35.28
Total Alkylate .....	41.90
Heavy Reformate .....	31.78
Reformer Feed .....	30.02
Raffinates .....	31.10
Jet Fuel .....	28.80

Thereafter, the information provided or both the CF 3461 and CF 7501 filed for each weekly entry with respect to relative values would remain the same. The only estimated amount would be the quantity to be removed on the CF 3461 as shown below. On the CF 3461 the refiner estimates the following shipments and uses a prior manufacturing period's actual weighted average values.

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value
Week 1			
Motor Gasoline .....	20,000	\$35.28	\$705,600
Total Alkylate .....	25,000	41.90	1,047,500
Heavy Reformate .....	60,000	31.78	1,906,800
Reformer Feed .....	110,000	30.02	3,302,200
Raffinates .....	200,000	31.10	6,220,000
Jet Fuel .....	200,000	28.80	5,760,000
Total .....	615,000	.....	18,942,100

Attributed Feedstock—Class III Crude: 615,000 @ \$.105 = \$64,575 (estimated duties)

On the CF 7501, the refiner reports the following shipments and uses a prior manufacturing period's actual average values.

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value (2)×(3)	5 Relative value factor (3)/(8)	6 Feedstock distrib. (5)×(2)	7 Liq. duties (6)×(10) (9)
Week 1:						
Motor Gasoline .....	19,977	\$35.28	\$704,789	1.097219	21,919	\$2,902
Total Alkylate .....	22,907	41.90	959,803	1.303104	29,850	3,134
Heavy Reformate ...	58,164	31.78	1,848,452	.988368	57,486	6,036
Reformer Feed .....	100,279	30.02	3,010,376	.933632	93,623	9,830
Raffinates .....	170,293	31.10	5,296,112	.967220	164,710	17,295
Jet Fuel .....	168,433	28.80	4,850,870	.895689	150,863	15,840
Total .....	540,053	.....	\$16,670,402	.....	518,451	\$54,437



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1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value (2)×(3)	5 Relative value factor (3)/(8)	6 Feedstock distrib. (5)×(2)	7 Liq. duties (6)×(10) (9)
					(9)	(10)

Class III Crude Used  $518,451 \times \$0.105 = \$54,437$   
 Volumetric Gain 21,602  
 Avg. Value/Barrel Crude Used =  $\$16,670,402 \div 518,451 = \$32.154$  (8)

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 2:						
Motor Gasoline .....	20,651	\$35.28	\$728,567	1.096128	22,636	\$2,377
Total Alkylate .....	23,435	41.90	981,926	1.301808	30,508	3,203
Heavy Reformate ...	59,819	31.78	1,901,048	.987386	59,064	6,202
Reformer Feed .....	101,167	30.02	3,037,033	.932704	94,359	9,908
Raffinates .....	172,317	31.10	5,359,059	.966259	166,503	17,483
Jet Fuel .....	165,291	28.80	4,760,381	.894799	147,903	15,529
Total .....	542,680	.....	16,768,014	.....	520,973	54,702

Class III Crude Used  $520,973 \times \$0.105 = \$54,702$   
 Volumetric Gain 21,707  
 Avg. Value/Barrel Crude Used =  $\$32.186$

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 3:						
Motor Gasoline .....	18,689	\$35.28	\$659,348	1.099168	20,542	\$2,157
Total Alkylate .....	21,511	41.90	901,311	1.305418	28,081	2,948
Heavy Reformate ...	57,371	31.78	1,823,250	.990124	56,803	5,964
Reformer Feed .....	99,707	30.02	2,993,204	.935290	93,254	9,792
Raffinates .....	168,112	31.10	5,228,283	.968938	162,889	17,103
Jet Fuel .....	172,092	28.80	4,956,250	.897280	154,414	16,214
Total .....	537,482	.....	16,561,646	.....	515,983	54,178

Class III Crude Used  $515,983 \times \$0.105 = \$54,178$   
 Volumetric Gain 21,499  
 Avg. Value/Barrel Crude Used =  $\$32.097$

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 4:						
Motor Gasoline .....	21,905	\$35.28	\$772,808	1.097390	24,038	\$2,524
Total Alkylate .....	22,552	41.90	944,929	1.303306	29,391	3,086
Heavy Reformate ...	58,116	31.78	1,846,926	.988522	57,447	6,032
Reformer Feed .....	101,058	30.02	3,033,761	.933777	94,365	9,908
Raffinates .....	169,823	31.10	5,281,495	.967371	164,281	17,250
Jet Fuel .....	171,493	28.80	4,938,998	.895829	153,627	16,131
Total .....	544,947	.....	16,818,917	.....	523,149	54,931

Class III Crude Used  $523,149 \times \$0.105 = \$54,931$   
 Volumetric Gain 21,798  
 Avg. Value/Barrel Crude Used =  $\$32.149$

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value	5 Relative value factor	6 Feedstock distrib.	7 Liq. duties
Week 5:						
Motor Gasoline .....	8,990	\$35.28	\$317,167	1.097698	9,868	\$1,036
Total Alkylate .....	9,984	41.90	418,330	1.303671	13,016	1,367
Heavy Reformate ...	25,351	31.78	805,655	.988799	25,067	2,632

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1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value	5 Relative value factor	6 Feedstock distri.	7 Liq. duties
Reformer Feed .....	43,492	30.02	1,305,630	.934039	40,623	4,265
Raffinates .....	75,172	31.10	2,337,849	.967642	72,740	7,638
Jet Fuel .....	75,795	28.80	2,182,896	.896080	67,919	7,131
Total .....	238,784	.....	7,367,527	.....	229,233	24,069

Class III Crude Used 229,233×\$.105=\$24,069

Volumetric Gain 9.551

Avg. Value/Barrel Crude Used=\$32.14

At the end of the month, the refiner must calculate its actual weighted average values for use in the subsequent period.

### RECONCILIATION OF RELATIVE VALUE FOR THE SUBSEQUENT PERIOD

1 Product	2 PF shipments (mbbls)	3 Value/ barrel (PP) (wt. avg.)	4 Total value (2×3)	5 Relative value factor (3)/(8)	6 Feedstock distri. (5×2)	7 Liq. duties (6×(10) (9)
Month End:						
Motor Gasoline .....	90,212	\$35.27	\$3,181,777	1.095682	98,844	\$10,379
Total Alkylate .....	100,389	41.84	4,200,276	1.299783	130,484	13,701
Heavy Reformate ...	258,821	30.66	7,935,452	.952470	246,519	25,885
Reformer Feed .....	445,703	30.54	13,611,770	.948742	422,857	44,400
Raffinates .....	755,717	29.69	22,437,238	.922336	697,025	73,188
Jet Fuel .....	753,104	30.42	22,909,424	.945014	711,694	74,726
Total .....	2,403,946	.....	74,275,937	.....	2,307,423 (9)	242,279 (10)

Class III Crude Used 2,307,423×\$.105=\$242,279

Volumetric Gain 96.523

Avg. Value/Barrel Crude Used=\$74,275,937÷2,307,423=\$32.19 (8)

Note: Actual monthly reconciliation data could result in attributions on a product basis that are less than or greater than weekly distributions. This is due to the "weighing" of the data i.e., motor gasoline on a weekly basis was \$10,996 as compared to \$10,379 as above. No additional duties are due to the averaging.

## PART 147—TRADE FAIRS

Sec.

147.0 Scope.

### Subpart A—General Provisions

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147.21 Marking under the Tariff Act of 1930.

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147.24 Merchandise subject to licensing.

### Subpart D—Customs Supervision

147.31 Articles to be kept separate.

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### Subpart E—Disposition of Articles Entered for Fairs

147.41 Removal or disposition pursuant to regulation.

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147.46 Voluntary abandonment or destruction.

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AUTHORITY: 19 U.S.C. 66, 1623, 1624, 1751–1756, unless otherwise noted.